

**INTA Internet Committee Comments**  
**Uniform Rapid Suspension System (“URS”)**  
**April 1, 2010**

The Internet Committee of the International Trademark Association (INTA) is pleased to provide its comments on the Uniform Rapid Suspension (URS) Procedure.

**I. Process Concerns**

As of the April 1 due date of this submission, ICANN has issued nineteen separate topics for public comment, with nine topics closing for comment on the same day. This overload of information, especially under the short deadlines, has significantly curtailed the public’s ability to provide meaningful evaluation and input on the issues under consideration. The Committee continues to strongly encourage ICANN to reassess and restructure its public comment process to enable it to adequately consult the public as it is required to under the Affirmation of Commitments.

**II. Introduction**

The INTA Internet Committee strongly supports the concept of the URS as proposed by the Implementation Recommendation Team (“IRT”). However, we remain concerned that the current version of the URS proposal strays somewhat from the fundamental purpose of the URS: to provide expedited relief to handle cases of clear abuse where rapid deactivation of the domain is essential and transfer to the complainant’s ownership is not necessary or desirable, with the UDRP as an option for the more complex cases.<sup>1</sup>

The URS was intended to serve a distinct purpose from that of the UDRP. As indicated by the name and envisioned by the IRT, particularly if the URS is only to offer *Suspension* as a remedy, the focus of the URS should be on the word *Rapid* – to deal with egregious acts of domain name abuse that are easily proven using publicly available databases, such as the Trademark Clearinghouse, that require quick and efficient handling to minimize harm to the public and trademark owners. While the UDRP has proven admirably effective at adjudicating the many cases where a trademark owner seeks to obtain ownership and full use of infringing domains, it was not intended and does not efficiently address circumstances where the only desire is defensive—quickly to prevent the abusive use of domains that all parties recognize as abusive. Therefore, ICANN must put forward a simple URS process that provides an efficient and economical means to address clear-cut cases of abusive registrations to effectively address the commensurate increase in cybersquatting anticipated with the launch of new gTLDs.

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<sup>1</sup> See Final Draft Report of the Implementation Recommendation Team as submitted to ICANN Board and posted for public comment on May 29, 2009, available at [www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf](http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf) (“IRT Report”) at 25-26 (URS provided to supplement UDRP to quickly take down infringing registrations for the most clear-cut cases of abuse) and Comments of the Internet Committee of the International Trademark Association on the Implementation Recommendation Team (IRT) Report, available at <http://forum.icann.org/lists/irt-final-report/msg00192.html>

### **III. Filing A Complaint**

Our comments with respect to filing a complaint under the URS are designed to achieve the stated purpose of the URS to provide efficient and economical relief to clear-cut cases of abuse. In order to do so, the complaint must be as simple and formulaic as possible, take full advantage of the Trademark Clearinghouse, and allow similarly situated aggrieved parties to file suit jointly.

To further the objective of providing a rapid and inexpensive means of relief for clear-cut cases of abuse, it is our understanding that the URS complaint was intended to be as simple and formulaic as possible. We recommend that ICANN adopt a form complaint, perhaps including checkboxes, that would include confirmation of trademark ownership, Whois information, and a screen shot of the website, as appropriate.

We also suggest including in Section 1.4 a reference to the use of the data in the Trademark Clearinghouse as much as possible to streamline the complaint procedure. While we understand the desire to rely exclusively on the data in the Trademark Clearinghouse to maximize efficiencies, we are not convinced that only trademarks that are included in the Clearinghouse should be eligible for the URS, since that would otherwise limit the potential usefulness of the system.

Furthermore, we recommend that a single complaint against a single domain name registrant (or related registrants) should be able to be joined in by multiple unrelated complainants. There is no practical difference between allowing a complaint based on trademarks that are owned by different but related corporate entities as proposed in Section 1.3 and allowing a complaint based on trademarks owned by different but unrelated entities whose marks are similarly being abused by the same registrant. This consolidation of plaintiffs would minimize waste of ICANN's limited resources by avoiding duplication and maintaining focus on the scope of the abuse to multiple trademarks by one defendant registrant. Once ownership of the trademark(s) is established, there is no reason why such a consolidated proceeding should not be allowed. Doing so will help to streamline the process, create significant efficiencies, and enable the rapid suspension of domain names that are abusing the trademarks of others.

### **IV. Fees**

ICANN's current URS proposal is not based on a "loser pays" system. We appreciate the practical difficulties that may exist when seeking to collect fees from a domain name registrant who has defaulted and cannot be found. However, we strongly urge that additional study be conducted on this issue before abandoning it altogether.

We also agree with Section 5 of the IRT Report that when more than 26 domain names are at issue a domain name registrant should pay a fee to file its response. Cybersquatters often register abusive domain names *en masse* that would be appropriate for a single URS complaint (particularly if our proposal above to allow a single complaint from multiple trademark owners is adopted). Requiring a response fee to be paid when the number of domains is large strikes a reasonable balance between (i) fairness to a typical one or two domain name registrant who may have difficulty paying a fee initially to defend itself, and (ii) deterring professional cybersquatters who register large numbers of abusive domain names.

## V. Administrative Review

As noted above, the administrative review should check for baseline compliance of submissions against information and fee requirements, including complainant standing through the presence of the complainant's marks on the Trademark Clearinghouse list or equivalent acceptable third-party evidence of mark ownership. This would filter out clearly unsupported marks, while still leaving the final determination to the examiner.

The administrative review currently is not given a timeframe and perhaps language should be added to require a determination within two business days after the filing date whether the complaint is deemed compliant or defective. The administrative review section also should provide a specific timeframe within which a complainant notified of a defective or deficient complaint must respond with an amended complaint without paying an additional fee to restart the process.

If the administrative review finds that a URS is not the proper avenue for a complaint, leaving a complainant with the option of UDRP or litigation, it is important that the complainant be advised up front in a timely manner and without a final adjudication on the merits of the elements of a claim so to avoid any *res judicata* argument on a new UDRP or litigation filing.

To reduce fees, all correspondence with parties and any notices of decisions, defaults, deadlines, should not be required to be sent via fax and certified letter; rather, email alone should suffice. WIPO already requires that UDRP parties file Complaints (or Responses) including all annexes solely by electronic format, the National Arbitration Forum is moving to electronic UDRP and even ICANN's proposed PPDRP and RRDRP processes envision electronic notices for defaults, etc. Continued reliance on fax transmissions and certified letters seems unnecessarily limiting.

## VI. The Response

The Proposal provides twenty (20) days to file an answer, rather than fourteen (14) as suggested in the IRT Report. The IRT Report also explicitly states these are calendar days, not business days, but the February draft of the URS does not. The fourteen-day period would be far more consistent with the purpose of the URS and how it differs from the UDRP. If factors to show bad faith and defense of legitimate use are the same and response times are the same as UDRP, many complainants may choose the UDRP, especially considering the URS has a higher burden of proof and may require numerous serial enforcement proceedings because the suspension lasts only through the expiration of the registration, which in many cases may only be a couple of months. As mentioned above, the URS must be designed to be *rapid*, and the change to a twenty-day answer period is counterproductive.

While the Proposal contemplates a filing fee if the response is filed more than thirty (30) days after a determination, it makes no reference to the outer limit within which a response may be filed. To provide some assurance of finality, we recommend that a response must be filed no later than ninety (90) days after a determination.

In addition, we assert that further clarification of what constitutes bad faith and appropriate defenses to claims of bad faith is needed. For example, Section 5.7(d) provides that a demonstration that a domain name is not related to a pattern of the registrant's abusive registrations may be a defense to a claim of bad faith. However, a domain name may still violate the trademark holder's rights, regardless of its relationship to other domains held by the

registrant. Likewise, Section 5.8(b) does not include the relationship between the domain name and the trademark holder's mark and its goods and services as a factor in determining bad faith, despite the fact that such a relationship has long been recognized as a factor to establish bad faith.<sup>2</sup>

## **VII. Default**

With respect to default procedures, we respectfully submit that the procedures must be implemented in a way to discourage prolonging the URS procedure through selective default and ultimately provide some security of finality for default judgments. To that end, the domain name should be suspended immediately upon default, with possibility of being returned to the original IP address if, after examination, the complaint is found to be insufficient to warrant the requested relief. Once a domain name is suspended, it should remain suspended even if the registrant files a late answer until a final decision on re-examination (rather than automatically resolving to the original IP address once the late answer is filed).

In addition, we consider the ability for an answer to be filed up to two years after a default judgment as the equivalent of an appeal of that determination. Without finality, trademark holders would have to continue to worry about domain names they have already expended resources successfully suspending. For the same reason, the fact that the suspension will be lifted and the domain released upon expiration of the registration (and that an indefinite suspension or transfer are not available) likewise raises the specter that trademark holders will have to engage in repeated, serial enforcement against previously suspended domains. The ability to appeal up to two years later would only be appropriate as a means of raising changed circumstances (such as the expiration of the trademark holder's rights), if the URS provided for indefinite suspension. A timeframe of no more than six months should be adopted to recognize the default judgment with the finality of a dismissal with prejudice.

## **VIII. Examination Standards**

This section essentially applies standards equal to those of the UDRP but requires a much higher burden: that of clear and convincing evidence typically reserved in law for claims involving much higher danger of loss such as professional malpractice resulting in the loss of a professional license.

We are concerned that it may be very difficult for a trademark owner to prove by "clear and convincing" evidence that the registrant lacks a "legitimate interest" in the domain name. This involves proving a negative, which can rarely be done in more than a presumptive manner.

Indeed, a more logical system is for the registrant to bear the burden of proving that it has a legitimate interest once the complainant has established by clear and convincing evidence the other elements of a URS complaint, namely that the registered domain name (i) is identical or confusingly similar to a trademark in which the complainant has rights and (ii) was registered and is being used in bad faith. Accordingly,

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<sup>2</sup> See, e.g., *TCBY Enterprises, Inc. v. Manheim* (Nat. Arb. Forum Mar. 24, 2003) (finding an "obvious connection" and bad faith "because the domain names incorporate the mark along with generic words that are industry related"); *Sports Authority Michigan, Inc. v. Akre* (Nat. Arb. Forum Apr. 4, 2003) (finding bad faith where sportsauthorityshop.com differed from mark "by one inconsequential and generic word," "especially considering that Complainant operates an online 'shop').

consideration should be given to treating “legitimate interest” in the domain name as an affirmative defense of the registrant for which it should bear the burden of proof.

In addition, we believe further clarification is needed with respect to the examination standards in Section 8.2. For example, the “no defense can be imagined” standard should be clarified. An examiner with a good imagination could “imagine” a defense in many/any default situations (e.g. maybe there is a contract that permits this use, maybe this registrant is not really selling counterfeits but just gray goods, etc.).

## **IX. Remedy**

To justify the time and expense required to pursue relief under the URS and to prevent trademark holders from having to engage in serial enforcement against the same names repeatedly, the remedy must be more meaningful. We recommend, at a minimum, extending the lockdown period beyond the registration date for domain names suspended under the URS for as long as the trademark rights on which the URS proceeding was predicated are reflected as valid in the Trademark Clearinghouse, and subject, as discussed in Section Six above, to the registrant’s ability to file a late answer to remove the suspension. There may also be circumstances in which transfer of the domain name would be appropriate (such as when the domain and the suspension would otherwise expire, in the absence of registrant objection—in which case the registrant might be permitted to renew the domain, subject to the suspension being kept in force).

## **X. Abusive Complaints**

We believe that permitting counterclaims alleging abusive complaints or complaints filed for improper purposes is a valuable tool to deter complaints that are frivolous, harassing, or without merit by parties without legitimate rights in a mark. However, we believe that further clarification is needed to define the standards associated with abusive complaints (e.g., frivolous or malicious prosecution standards) and a corresponding penalty should be imposed on abusive registrants.

We agree with Section 11.2 in principle, but it appears to be inconsistent and incomplete. It provides: “In the event a party is deemed to have filed two (2) abusive complaints, or one (1) ‘deliberate material falsehood,’ that party shall be barred from utilizing the URS for one-year following the date the last of the three Complaints was determined to be abusive.” The Guideline references both two complaints and three complaints as the trigger for a penalty. In addition, the Guideline does not specify the time period in which the complainant’s abusive conduct took place. Theoretically, the abusive complaints could be fifty (50) years apart and still trigger the penalty. We recommend that a party must be found to have filed two abusive complaints within a five-year period or one complaint with a deliberate material falsehood to trigger a ban on use of the URS for one year.

With respect to ICANN’s further consideration of defining abusive complaints, we respectfully submit that any such definition must clarify that abusive complaints are those in which a registrant provides compelling evidence that a complainant has abused the system by filing a complaint based on a false claim of rights or by asserting fraudulent claims against domain names about which there can be no reasonable claim of infringing use. Likewise, any such definition should specify that a complainant is not deemed to have filed an abusive complaint solely because a complaint is denied, or because a complainant seeks to enforce its rights regularly and vigorously through the URS.

We also agree that an appellate process for findings of abusive complaints is necessary and appropriate. However, we disagree that the standard of review on such appeals should be based solely on a determination that the Examiner abused his/her discretion or acted in an arbitrary or capricious manner. Rather, given the gravity of a finding of abuse, a *de novo* review should be required.

We believe that, just as there are penalties for complainants who abuse the URS system, there should also be penalties for domain name registrants who abuse the domain name system. It is inequitable to include penalties for the speculative (and rare) trademark owner who would engage in abusive and vexatious litigation when there is a ten-year track record of many actual domain name registrants who have consistently sought to register domain names and profit from consumer confusion. Accordingly, we strongly recommend that ICANN consider providing for penalties against domain name registrants who have been found to consistently engage in abuse, whether it be barring them from registering more domain names, establishing a presumption of abuse in future URS or UDRP proceedings against them, or establishing/increasing any fees due for filing an answer to a URS or UDRP complaint. We recognize the difficulty of establishing that any one registrant is the same as or affiliated with another, though where such a relationship can be established, we believe that there should be consequences for registrants who repeatedly engage in abusive practices to harm consumers and legitimate business interests.

## **XI. Appeal**

We agree with Section 12 regarding the process for appeal of a URS decision. Given the purpose of the URS to provide a quick means of relief against obviously infringing domain names, we further recommend that the URS include a ten-day appeal period following issuance of a decision, mirroring the appeal period for UDRP.

Under the UDRP, the party against whom a decision is rendered has ten days to file suit in a court of competent jurisdiction before any action is taken against the domain name. This appellate deadline allows both parties some certainty and avoids unnecessary costs associated with prolonged litigation. A ten-day period is sufficient time to allow the losing party to make a decision whether or not to appeal. To our knowledge, no losing party has challenged the ten-day UDRP appellate period as insufficient to allow them to take action to file suit. Since the proposed URS appellate procedure is much simpler than filing suit in court, ten days should be more than enough time to pursue appeal under the URS.

## **Conclusion**

The Committee strongly believes the URS can be an effective rights protection mechanism if implemented properly to achieve its purpose of addressing clear-cut cases of infringement quickly and inexpensively. In reviewing each of the sections in ICANN's February 2010 URS proposal, it appears that the process in its current state needs certain modifications to ensure that the URS achieves its purpose. In making the suggested modifications, changes should also be made to ensure the process is balanced and does not ignore a ten-year record of actual and rampant domain name infringement.

Thank you for considering our views on these important issues. Should you have any questions regarding our submission, please contact INTA's External Relations Manager, Claudio Digangi at: [cdigangi@inta.org](mailto:cdigangi@inta.org).

### **About INTA & The Internet Committee**

The International Trademark Association (INTA) is a more than 131-year-old global organization with members in over 190 countries. One of INTA's key goals is the promotion and protection of trademarks as a primary means for consumers to make informed choices regarding the products and services they purchase. During the last decade, INTA has served as a leading voice for trademark owners in the development of cyberspace, including as a founding member of ICANN's Intellectual Property Constituency (IPC).

INTA's Internet Committee is a group of over two hundred trademark owners and professionals from around the world charged with evaluating treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet, and unfair competition on the Internet, whose mission is to advance the balanced protection of trademarks on the Internet.